

# **FISCAL NOTE**

## **SB 1398 - HB 1642**

March 20, 2001

**SUMMARY OF BILL:** Increases the workers' compensation maximum benefit, for total loss of an upper extremity or a lower extremity, from 200 weeks to 300 weeks. Changes the wording in the statute from arm to upper extremity and leg to lower extremity. Places the shoulder and hip into the schedule of injuries. As a scheduled injury the multiplier caps would no longer apply to shoulder and hip injuries; however, it would reduce the maximum number of weeks for injuries to the shoulder or hip to 300 weeks, from 400 weeks.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - Net Impact- Exceeds \$700,000/Claims Award Fund**

**Increase Local Govt. Expenditures - Net Impact - Exceeds \$100,000**

Estimate assumes:

- an increase in state expenditures of approximately \$1,086,000 to the Claims Award Fund resulting from an increase in the amount of permanent partial disability, to which a state employee is entitled for the loss of an arm or leg, (300 weeks instead of the current 200).
- the Claims Award Fund could pay approximately \$363,000 less in permanent partial disability benefits for hip and shoulder claims, which would be valued at 300 weeks instead of the current 400 weeks. Estimate is based on actual claims experience involving state employees during FY 2000.
- a net increase in expenditures to local governments from changes in benefits that would affect claims paid for employees of local governments.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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